



**GENEVA
STATE
BANK**

Hal J. Allen
Executive
Vice President

July 22, 1980

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DIVISION OF
OIL, GAS & MINING

U.S. Forest Service
44 West 400 North
Spanish Fork, Utah 84660

RE: Jerika Mining Corp.

Gentlemen,

The aforementioned company has asked we provide you with a cash bond to insure performance in the amount of \$2,500.00.

This letter is to indicate we have on deposit, at Geneva State Bank, \$2,500.00 which will not be subject to withdrawal without your consent.

Would you kindly acknowledge in the space indicated below and return one copy of this letter for our files. Thank you.

Sincerely,

Hal J. Allen
Executive Vice President

HJA/jr

Received and acknowledged this 15 day of August 1980.

U.S. Forest Service

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

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DECLARATION OF EXEMPTION

(See Mined Land Reclamation Act 40-8-4(6)) DIVISION OF
OIL, GAS & MINING

As provided for in Section 40-8-4 UCA 1953, I hereby declare an exemption from the "Utah Mined Land Reclamation Act", in that less than 500 tons of material is being mined or less than two (2) acres of land is being excavated or used as a disposal site during a period of twelve (12) consecutive months, from the following designated claims, leases, or fee acreage.

NAME OF CLAIM, LEASE, OR FEE ACREAGE	$\frac{1}{2}$, $\frac{1}{4}$ SECTION	LOCATION TOWNSHIP	RANGE	COUNTY
Jerika #1-#51	S $\frac{1}{2}$ of S $\frac{1}{2}$ of 16 Sw $\frac{1}{4}$ of Sw $\frac{1}{4}$ of 15 NE $\frac{1}{4}$ of 21 W $\frac{1}{2}$ of 22	10S	5W	Tooele

Commodity: _____

Date: June 25, 1980

Signature: Gerald S. Prestwich
Harold L. Prestwich

OPERATOR: Jerry Prestwich + Harold Prestwich

ADDRESS: 274 N 725 W Orem

TELEPHONE: 225-4804

* This form needs to be filled one time only. In the event more than the minimum size requirements are mined, a Notice of Intention to Commence Mining Operations (MR Form 1) and a Mining and Reclamation Plan (MR Form 2) will need to be filed with this office.

**NOTICE OF INTENTION
TO OPERATE
OR
BASIC OPERATING
PLAN**
Ref. 36 CFR 252
FSN 2830

State <u>Utah</u>		County/County <u>Tooele</u>		Mining District	
g. Type of Claim or Claims		h. Operation		FOREST SERVICE USE	Forest Service File No. 2830 Date Rec'd
Lode <input checked="" type="checkbox"/> Placer <input type="checkbox"/>		New <input checked="" type="checkbox"/>			
Mill Site <input type="checkbox"/> Tunnel Site <input type="checkbox"/>		Continuing <input type="checkbox"/> Reactivating <input type="checkbox"/>			

A previous operation has been performed by previous operator

NOTE: (INSTRUCTIONS TO OPERATORS. Please complete in as much detail as possible. Use maps and sketches where appropriate. Additional sheets can be used if necessary. Completed information should be furnished to District Ranger's office.)

NOTICE OF INTENTION TO OPERATE.

Notice is hereby made by the undersigned to conduct prospecting, mining, or milling operations on the claim(s) indicated below.

NAME OF CLAIMS	NAME OF OWNER AND ADDRESS	LOCATION OF CLAIM			LOCATION Date
		Section	Township	Range	
Jerika 1-51	Jerry Prestwich 140W 1960N Orem Harold Prestwich 274N 725W Orem	15, 16, 21, 22, 27, 28	10S	5W	

ACCESS TO THE CLAIMS

OFFICE 301 E. 4th St.
OREM, UT.

Describe the type and standard of the proposed means of access and the means of transportation to be used (such as 4-wheel drive vehicle, tractor, pickup, etc.). Furnish a map showing the proposed route of access.

NOTE: Construction, reconstruction, or restoration of a road as a means of access across National Forest System lands on which an operator, prospector, or miner has no mining claims, will be authorized separately by issuance of a special-use permit. However, when an operating plan is required, it must be approved in writing by the authorized officer prior to the issuance of the special-use permit.

We intend to use the existing dirt road for access that runs WSW from Little Valley Campground and starts at the Benmore exit from the main road. A very small amount of grading will need to be done to restore this road so that it will accommodate a 10 wheeler truck and/or a belly dump. We also intend to drive other types of equipment over this road to arrive at the mine site, such as a loader, backhoe, bulldozer, and grader as needed.

PROPOSED OPERATION: ON THE CLAIMS

(Describe proposed surface disturbing activities, such as backhoe, trenching, drill road construction, tunnel site development, settling ponds, bulldozer exploration, etc.)

NOTE: Roads within the claims will be covered by the Operating Plans.

We intend to conduct an open pit operation. We also wish to reserve the right to do tunneling in the general proposed area of intended operation. We intend to open the pit with a ripper (heavy equip) and to do blasting when necessary, using loaders and dozers to move the overburden aside. We also wish to do prospecting on the other claims which could entail some ripping, blasting and drilling. These areas would of course be treated by the same reclamation procedures as the main area of operation.

ENVIRONMENTAL PROTECTION MEASURES

NOTE: Operations, including access, shall be conducted so as to minimize adverse environmental impacts on National Forest surface resources.

Describe measures to be taken to protect surface resources.

Mining vehicles will remain on road to and from mining site and will only leave road in immediate mining area and this will be in specially prepared working areas. Activity on the claims will be limited to the aforementioned prospecting and the main area of operation.

PERIOD OF OPERATION

Period or periods during which operations, including road work, will take place.

We intend to start immediately upon approval from the forest service and continue as long as mining of the ore body continues profitable. Minor grading of parts of the road will take place first and continue as needed to support use of the road by mining equipment.

Starting
July 1980

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OPERATOR'S NAME (Print or Type)	ADDRESS	TELEPHONE NUMBER
Jerry Prestwich	140 W. 1960 N. Orem	225-0109
Harold Prestwich	274 N. 725 W., Orem	225-4804

OPERATOR'S SIGNATURE AND DATE OF NOTICE:

FOREST SERVICE EVALUATION

NOTICE TO OPERATORS:

- (1) Approval of this operating plan does not constitute certification of ownership to any person named as owner herein.
- (2) Approval of this operating plan does not constitute recognition of the validity of any mining claims named herein, or of any mining claim now or hereafter covered by this plan.



THIS OPERATION CONSTITUTES A SIGNIFICANT DISTURBANCE OF SURFACE RESOURCE. THE INFORMATION PROVIDED IS SUFFICIENT TO CONSTITUTE A BASIC OPERATING PLAN. THE OPERATION PROPOSED IS APPROVED SUBJECT TO FURNISHING A BOND IN THE AMOUNT OF \$2500.00 IN THE FORM OF CASH OR SURETY.



THE OPERATION DESCRIBED ABOVE DOES NOT CAUSE SIGNIFICANT DISTURBANCE OF SURFACE RESOURCE. AN OPERATING PLAN IS NOT REQUIRED.



THE OPERATION DESCRIBED ABOVE CONSTITUTES A SIGNIFICANT DISTURBANCE OF SURFACE RESOURCE. AN OPERATING PLAN MUST BE PREPARED BY THE OPERATOR.

Evaluated by:	Date:	Signature:	Title:
S. RONALD LISONBEE	27 Oct. 1980		District Ranger
Approved by:	Date:	Signature:	Title:
Don T. Nebeker			Forest Supervisor

EVALUATION AND REPORT OF NOTICE (to be completed by Forest Service)

1. Review of location and land status. (Assure that location described is proper and lands are open to mineral entry. Status check should identify withdrawals, special uses, and designated lands.)

Sec. 15 - W₂SW₄SW₄, E₂E₂SE₄, W₂NW₄SE₄. Continuously withdrawn since 4/2/1904 by temporary withdrawal.

Sec. 16 - S₂SW₄NE₄, W₂NE₄NW₄, N₂SW₄NW₄. IL 77, 79, 88, 94, 99, 130. Continuously withdrawn since 4/2/1904 temporary withdrawal. (See Back Side)

2. Surface resource consideration. (Describe effect of proposed operation on surface resources both on and off claim(s), and reclamation measures required if any.)

Minimum soil disturbance. Road will be water barred and reseeded.

3. Operation plan decision. (Where modest prospecting and exploration activities are anticipated, this form may suffice as an operating plan.)

Operating plan attached.

4. Bond requirement. (Bond requirement should be based on probable cost of reclamation of surface resources. Include sufficient information to support bond request.)

Based on equipment cost and seed cost.

\$2500.00 Bond Required

Remarks

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Sec. 16 - N $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$. From Hattie Atherly. Weeks Law Status.
Approved by Attorney General 2/28/1949.
Sec. 21-22 - Continuously withdrawn since 4/2/1904 by temporary withdrawal.
Sec. 27 - Includes part of MS4042.
Sec. 28 - All of sec. except pat mining claims.

MEASURES TO BE TAKEN TO MEET ENVIRONMENTAL PROTECTION REQUIREMENTS

AIR & WATER QUALITY

The only portion of our operation that affects the air would be the emissions of our diesel equipment, which we feel will present little problems of air pollution. MSHA approved equipment with exhaust scrubbers will be employed in underground workings which will pose no problems as to air quality at the site. There will not be any milling procedures carried out at the site and no water has been encountered as of yet in the workings so we do not foresee any way that our operation will affect the water situation in the area.

SOLID WASTES

Any and all solid waste materials will be deposited in haul off storage tanks and will be removed and hauled away on a regular basis. No solid waste materials will be left on site.

SCENIC VALUES

We admit that our operation will not enhance the scenic value of the area. Very few people visit the site area on a regular basis and our operation procedures are designed to control and check abnormal scarring of the land. When the operation is terminated, the reclamation procedures should restore the scenic values appropriately.

FISHERIES AND WILDLIFE HABITAT

We foresee no significant problem here.

ROADS

(See Special Use Permit and Notice of Intention to Operate)

RECLAMATION OF AREA

Upon termination of the operation we intend to blast all tunnel openings closed. We intend to fill in our open pit operation with the same overburden that was removed to form it. We intend to remove all equipment, fixed or otherwise, from the area and to fill in all holes that may have been drilled. We do recognize here that there are already many scars and cuts in the area due to previous mining. We wish to be held responsible only for the scarifications that we ourselves create, however, we do agree to clean up the area of its present scrap metal and wood pollutions.

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At the termination of our project when all holes and tunnels have been filled, we intend to seed the are with an appropriate grass to complete the reclamation and restore the land as much as possible to its natural state.

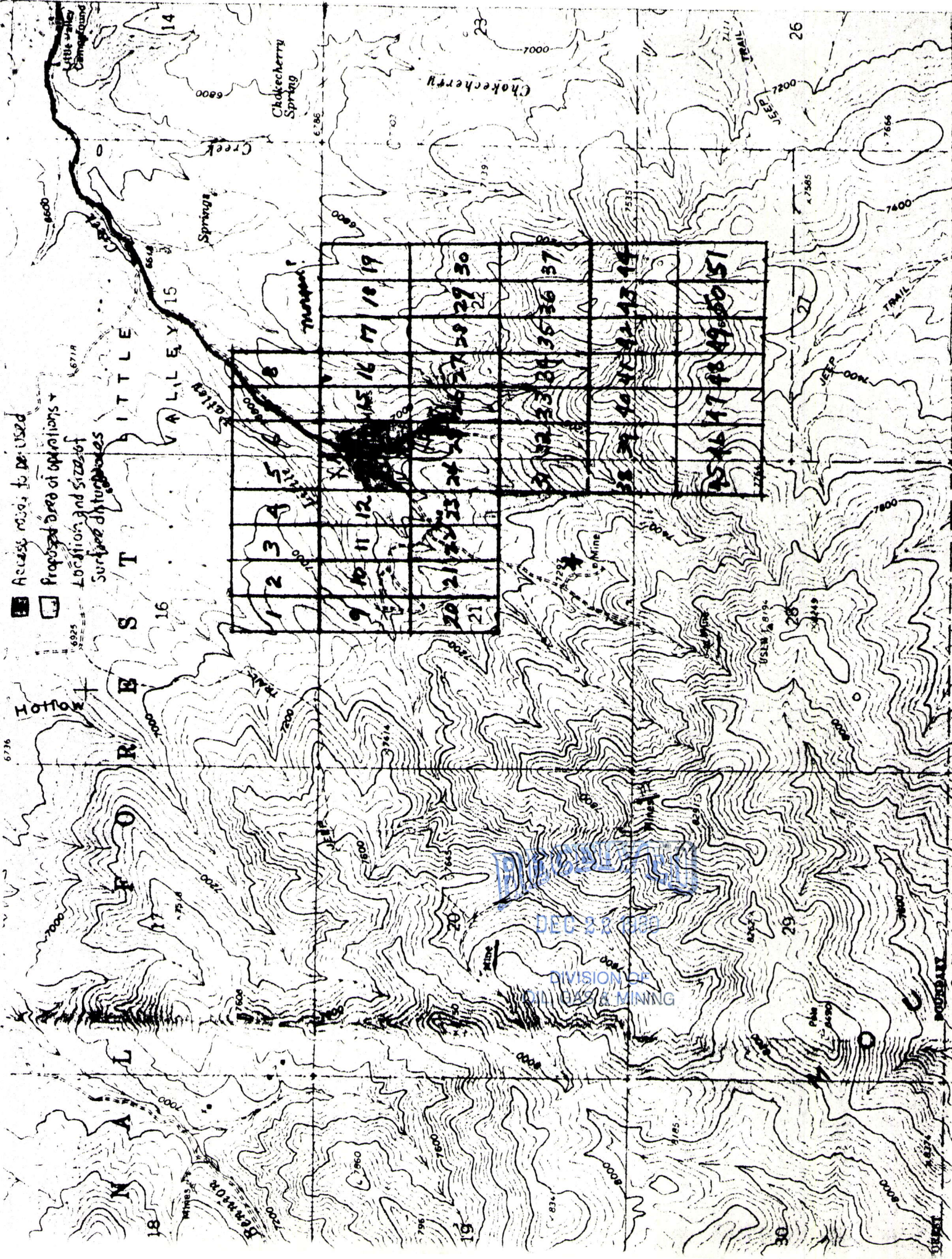
At this point it is very difficult to determine the extent of open pit operations. Based upon future ore body samples, tunneling may be the most advantageous mining procedure as with previous operations. We anticipate substantial valuable ore removal from the site and in the case of open pit procedures, the back filling and natural sloping of the site will be carried out in the reclamation activities. All reclamation will be carried out in accordance with normal mining engineering practices and consultation with competent geologists and mining engineers will be sought.

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- Access roads to be used
- Proposed area of operations
- Location and size of surface disturbances



(Act of 21 Oct. 1976, PL94-579)

SPECIAL USE PERMIT

(Road)

XXXXXX
Rep. FS-17-38

a. RECORD NO. (1-2) <u>70</u>	b. REGIC 4) <u>04</u>	c. FOREST (5-6) <u>18</u>
d. DISTRICT (7-8) <u>03</u>	e. USE NO. (9-12) ---	f. KIND OF USE (13-15) <u>735</u>
g. STATE (16-17) ---	h. COUNTY (18-20) ---	k. CARD NO. (21) <u>1</u>

Jerry Prestwich

(Name)

of 140 West 1960 North - Orem, Utah

(Address)

(hereafter called the permittee) is hereby authorized to use National Forest lands for the construction, reconstruction, maintenance, and use of a road within the Wasatch (Vernon Division) National Forest for the protection, administration, management and utilization of lands and the resources thereof now or hereafter owned or controlled by the permittee.

This permit is subject to the general provisions listed herein and to the special clauses and requirements, items 8 through 13, on page(s) _____ through _____ attached hereto and made a part of this permit.

This permit covers a right of way 17 miles in length and containing approximately 60 acres, and located upon the ground according to the survey line, figures, measurements, widths, and other references shown on the plat attached hereto and made a part hereof.

Permit class E

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GENERAL PROVISIONS

1. This permit is subject to all valid rights existing on this date.
2. The permittee in exercising the privileges granted by this permit shall comply with all applicable State and Federal laws, Executive Orders, and Federal rules and regulations.
3. The permittee shall cut only such timber as necessary in clearing for road construction, reconstruction, and maintenance. Timber so cut shall, unless otherwise agreed to, be cut into logs of lengths specified by the Forest Service and decked along the road for disposal by the Forest Service.
4. The permittee shall do everything reasonably within his power to prevent forest fires, and will not dispose of material by burning in open fires during the closed season established by law or regulation without a written permit from the Forest Service.
5. The permittee shall fully repair all damage, other than ordinary wear and tear, to National Forest roads and trails caused by the permittee in exercise of the privileges granted by this permit.
6. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise herefrom unless it is made with a corporation for its general benefit.
7. This permit may be terminated or suspended upon breach of any of the conditions herein or at the discretion of the Regional Forester or the Chief, Forest Service.

THIS PERMIT IS ACCEPTED SUBJECT TO ALL OF ITS TERMS AND CONDITIONS

PERMITTEE	NAME OF PERMITTEE Jerry Prestwich 140 West 1960 North Orem, Utah 84057	SIGNATURE OF AUTHORIZED OFFICER <i>Jerry Prestwich</i>	DATE <i>Dec 1 1980</i>
		TITLE	
ISSUING OFFICER	NAME AND SIGNATURE Don T. Nebeker	TITLE Forest Supervisor	DATE

8. (G-1) This permit issued free of charge under regulation 36 CFR 251.2 (U-11).
9. (C-3) As a further guarantee of the faithful performance of the provisions of clauses G-4 and G-8 of this permit, the permittee agrees to deliver and maintain a surety bond in the amount of Two Thousand Five Hundred and no/100 dollars (\$2,500). Prior to undertaking additional construction or alteration work not provided for in the above clause(s) or when the improvements are to be removed and the area re-stored, the permittee shall deliver and maintain a surety bond in an amount set by the Forest Service, which amount shall not be in excess of the estimated loss which the Government would suffer upon default in performance of this work. Should the sureties or the bonds delivered under this permit become unsatisfactory to the Forest Service, the permittee shall, within thirty (30) days of demand, furnish a new bond with surety, solvent and satisfactory to the Forest Service. In lieu of surety bond, the permittee may deposit into a Federal depository, as directed by the Forest Service, and maintain therein, cash in the amounts provided for above, or negotiable securities of the United States having a market value at time of deposit of not less than the dollar amounts provided above.

The permittee's surety bond will be released, or deposits in lieu of bond, will be returned thirty (30) days after certification by the Forest Service that priority installations under the development plan are complete, and upon furnishing by the permittee of proof satisfactory to the Forest Service that all claims for labor and material on said installations have been paid or released and satisfied. The permittee agrees that all moneys deposited under this permit may, upon failure on his part to fulfill all and singular the requirements herein set forth or made a part hereof, be retained by the United States to be applied as far as may be to the satisfaction of his obligations assumed hereunder, without prejudice whatever to any other rights and remedies of the United States.

10. (G-4) Construction and operation of the road shall be in accordance with the specifications set forth in Exhibit A, attached hereto.
11. (G-6) The permittee shall provide maintenance made necessary by his use of the road constructed under this permit: Provided, That haulers of products from Federal lands and all other commercial haulers will be required to perform or bear their proportionate share of maintenance made necessary by their use of the road as determined by the Forest Service.

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12. (G-7) The United States shall have unrestricted use of the said right-of-way and any road constructed thereon for all purposes deemed necessary or desirable in connection with the protection, administration, management, and utilization of Federal lands or resources, and shall have the right alone to extend rights and privileges for use of the right-of-way and road thereon to States and local subdivisions thereof, and to other users including members of the public, except users of land or resources owned or controlled by the permittee: Provided, That such use shall be controlled by the Forest Service so as not unreasonably to interfere with use of the road by the permittee or cause the permittee to bear a share of the cost of maintenance greater than the permittee's use bears to all use of the road.

13. Unless sooner terminated or revoked in accordance with the provisions of the permit, this permit shall expire and become void upon issuance of a new authorization or one year after publication of regulations by the Secretary of Agriculture under the provisions of Title V, P.L. 94-579, whichever comes first, but a new authorization to occupy and use the same National Forest land will be issued provided the permittee will comply with the then-existing rules and regulations governing the occupancy and use of National Forest lands.

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EXHIBIT A

ROAD CONSTRUCTION AND OPERATION SPECIFICATIONS

1. Compliance with Laws, Regulations, and Rules Governing Use. The permittee, in exercising the privileges granted by this permit, shall comply with the regulations of the Department of Agriculture and all Federal, State, County and Municipal laws, ordinances, or regulations which are applicable to the area or operations covered by this permit. The permittee, its agents, employees, contractors, employees of contractors, and guests of the permittee shall comply with the rules and regulations prescribed by the Forest Service for the control and safety in the use of the road and to avoid damage to the road. Such rules and regulations shall include:
 - a. The road will be closed to public use December 1 to April 30. Upon further notice, the road may be closed or restricted when, due to weather conditions or the making of alterations or repairs, unrestricted use would, in the Forest Service judgment, cause excessive damage or create hazardous conditions.
 - b. Closing the road or restricting the use when required by any government agency which, by law, has jurisdiction to authorize such closing or restrictions of which requires prompt notice, shall be given.
 - c. Upon reasonable notice, closing the road during periods when, in Forest Service judgment, there is extraordinary fire or avalanche danger.
 - d. Traffic controls which, in the judgment of the Forest Service, are required for the safe and effective use of the road by authorized users thereof.
 - e. The permittee may use the road during periods of closure for access to his claim site. He may grant use of the road, during periods of closure, to his agents, employees, contractors, or guests. This granting of use shall only be to the permittee's claim site. He shall not grant entry to others.
 - f. The permittee shall be responsible for damages he causes on the road or for the damages caused by persons he grants use of the road to or for the damages caused by the permittee's failure to control.
 - g. The permittee shall be responsible for damages caused by others who gained access to the road from the neglect of the permittee

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or his agents, employees, contractors, or guests, in closing and locking the gate or failing to control the keys to the gate.

- h. The permittee shall not use chemical poison, as defined in Section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act of June 25, 1945, as amended (61 Stat. 163; 73 Stat. 286; 75 Stat. 18; 75 Stat. 190), or any chemical or other road surface treatment without the approval of the Regional Forester's designated representative. The application for approval shall be in writing and shall specify the area to be treated, the material used in the treatment, and the time, rate, and method of application.

2. Reconstruction-Construction Requirements and Specifications.

- a. All road construction and reconstruction shall be completed in conformance with the lines and dimensions identified on the typical sections in the attached "Proposed Access Road Improvements."
- b. Road construction and reconstruction shall be limited to that identified in the project layout sheets of the attached "Proposed Access Road Improvements," unless specifically approved in writing by the District Ranger.
- c. In areas of roadway relocation, the abandoned roadway shall be scarified, then restored as nearly as possible to the original contour and reseeded and fertilized with the same application rates and types as required on all disturbed areas.
- d. All areas of soil disturbance shall be hydraulically seeded and fertilized as soon as possible after the disturbed area has been shaped by the permittee and approved by the Forest Service.

The seed species mixture and application rate will be obtained from the District Ranger.

The fertilizer will be 16-16-8, applied at the rate of 400 pounds per acre.

3. Maintenance Requirements and Specifications.

- a. Historically the Forest Service has performed maintenance of the Vernon and Little Valley Creek Roads once annually.

The Forest Service will maintain the driving surface of the Vernon and Little Valley Creek Roads once annually for the duration of this Road Use Permit.

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- b. The permittee will be responsible for scheduling adequate maintenance in addition to the Forest Service maintenance to keep the road in a condition that conforms to the constructed typical section, is relatively smooth and driveable, free of ruts and large rocks, and all drainages open and operational.

Repair of slumps, slides, washouts, culvert failures, erosion at culvert outlets, etc., will be the responsibility of the permittee for the duration of the permit.

4. The permittee will provide, at his own expense, all snow removal required for his use of the road. The snow removal will be in accordance with the following requirements of the Forest Service:
- a. Snow will be removed to the side of the road closest to the creek.
 - b. Provision will be made to avoid flowing water to concentrate on the road, and periodic water escape areas will be constructed in the snowbanks so the water can escape from the road where the grade of the road exceeds four percent.
 - c. The existing surface of the road will not be removed from the surface in the snowplowing of the road.
 - d. Signs, culverts, and other roadside and ditch structures will be protected during snowplowing operations.
 - e. Snow removal will be accomplished by road patrols during periods of light snow (less than 6-inch accumulation). In the event of heavy snowfall, a snowblower will be utilized.
5. Fire Prevention and Suppression. The permittee shall take all reasonable precautions to prevent and suppress Forest fires. No material shall be disposed of by burning in open fires during the closed season established by law or regulation, without a written permit from the Forest Service.
6. Damages. The permittee shall exercise diligence in protecting from damage to the land and property of the United States covered by and used in connection with this permit, and promptly upon demand shall report the damage or pay the United States for any damage resulting from negligence, or from violation of the terms of this permit or of any law or regulation applicable to the National Forests by the permittee, or by his agents, contractors, or employees of the permittee acting within the scope of their agency, contract, or employment.

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